

**OFFSHORE MARINE SERVICE ASSOCIATION (OMSA)**

**RADM R. C. NORTH**

**27 JANUARY 1998 MEETING**

Rev: 1/21/98

**INTRODUCTION**

GOOD AFTERNOON. BOB ALARIO, RADM TIM JOSIAH, MEMBERS  
OF OMSA. IT'S GOOD TO BE HERE TODAY TO ADDRESS THE  
OMSA MEMBERSHIP AND IT'S GOOD TO SEE SO MANY  
FAMILIAR FACES IN THE AUDIENCE.

BOB, I VERY MUCH APPRECIATE THE OPPORTUNITY TO BE HERE  
THIS AFTERNOON.

ALTHOUGH THIS IS THE FIRST TIME THAT I'VE ADDRESSED THE  
MEMBERSHIP OF OMSA SINCE I RELIEVED JIM CARD BACK  
IN MAY, I HAVE HAD THE OPPORTUNITY TO WORK WITH  
BOB AND SOME OF YOU THROUGH NOSAC AND ON OTHER  
OCCASIONS.

AS USUAL, I FOUND A VERY COOPERATIVE AND PROACTIVE  
APPROACH IN DEALING WITH OUR MUTUAL CONCERNS  
AND GOALS IN MARITIME SAFETY AND ENVIRONMENTAL  
PROTECTION.

MY RELATIONSHIP WITH THE OFFSHORE INDUSTRY GOES BACK  
SOME 24 YEARS NOW, ONE-THIRD OF THAT TIME WITH BOB  
ALARIO, AND BEGAN WHEN I WAS ASSIGNED TO MSO,  
THEN MIO, CORPUS CHRISTI, TX.

I WAS INSPECTION DEPT CHIEF AND XO IN NEW ORLEANS IN THE  
EARLY 80'S WHEN MSO MORGAN CITY AND HOUMA WERE  
PART OF THAT UNIT AND WE BOTH SAW THE PEAK AND  
THEN DECLINE IN OFFSHORE ACTIVITY

YOU ALL KNOW BETTER THAN I THAT, THANKFULLY, THINGS  
HAVE CHANGED AND THERE IS MUCH MORE TO  
CELEBRATE THESE DAYS THAN THE CARNIVAL SEASON.

IN FACT, THE PAST MONTH'S ISSUE OF MARINE LOG FEATURED AN ARTICLE, "CAJUN FEAST," WHICH REPORTED THAT DAY RATES HAVE CLIMBED, ORDERS FOR NEW SHIP BUILDS ARE MOUNTING AND MOST GULF COAST YARDS ARE BOOKED WELL INTO 1999. I REALLY THOUGHT A CAJUN FEAST WAS BOB ALARIO TAKING ON THE COAST GUARD.

YOU ALL ARE TO BE COMMENDED ON YOUR SUCCESS AND YOUR INNOVATIVE AND RESOURCEFUL USE OF BOTH EQUIPMENT AND PEOPLE. ALL SEEMS TO BE GOING WELL, AND BUSINESS PROSPECTS SOUND PROMISING.

THE GULF IS ALIVE—AGAIN!

BOB ASKED ME TO ADDRESS A NUMBER OF ISSUES TODAY:

- SUBCHAPTER L REGULATIONS;
- TONNAGE CONVENTION;
- DEVELOPMENTS ON THE INTERNATIONAL FRONT AT THE INTERNATIONAL MARITIME ORGANIZATION;
- CGHQ ORGANIZATION; AND

- I ALSO WANT TO TELL YOU ABOUT OUR PLANNING TO MEET THE CHALLENGES WE FACE AS WE APPROACH AND MOVE INTO THE 21<sup>ST</sup> CENTURY.

NEW CONSTRUCTION OSV USING ALTERNATE ITC TONNAGE

IN READING MARINE LOG, I ALSO NOTED WITH PARTICULAR INTEREST THE CONTINUING ACTIVITY IN DEEPWATER VENTURES AND RELATED SUPPORT INDUSTRIES. I WAS ESPECIALLY PLEASED TO LEARN THERE ARE MORE THAN 70 OSVs UNDER CONSTRUCTION. DURING OUR LAST NOSAC MEETING IN NOVEMBER, DR. LANEY CHOUEST AND PHIL NUSS GAVE PRESENTATIONS ON THE STATUS OF THIS NEW OSV CONSTRUCTION AND HOW MANY OF THESE NEW BUILDS ARE ABLE TO USE THE ALTERNATE ITC TONNAGE OPTION PERMITTED UNDER THE SUBCHAPTER L FINAL RULE FOR OSVs. DESIGNING AND BUILDING OSVs TO THE OLD NATIONAL TONNAGE SYSTEM WAS PERHAPS CUMBERSOME AND INEFFICIENT, AT BEST, AND WE ARE PLEASED THAT ALTERNATE TONNAGE LEGISLATION FINALLY PASSED.

LIKE YOU, WE IN THE COAST GUARD ARE COMMITTED TO  
APPLYING LOGIC AND COMMON-SENSE TO OUR BUSINESS,  
BY DEVELOPING REGULATIONS WHICH IMPROVE THE  
COMPETITIVENESS OF THE U.S. MARITIME INDUSTRY AND  
BY REMOVING REGULATORY AND OTHER BARRIERS THAT  
IMPEDE NEW DESIGN TECHNOLOGY. WITH CREATIVITY  
AND INGENUITY, WE CAN ACHIEVE THESE GOALS WHILE  
PURSUING OUR MUTUAL GOALS OF SAFETY AND  
PROTECTION OF OUR VALUED NATURAL RESOURCES.

STATUS OF ALTERNATE CONVENTION TONNAGE RULEMAKINGS

TO DO THIS, THE COAST GUARD PUBLISHED AN  
INTERPRETATIVE FINAL RULE FOR OSV ALTERNATE  
TONNAGE ON DECEMBER 18, 1996. THIS RULE  
ESTABLISHED AN ALTERNATE MAXIMUM SIZE LIMIT OF  
6,000 GROSS TONS BASED ON THE INTERNATIONAL  
CONVENTION ON TONNAGE MEASUREMENT (OR ITC)

SYSTEM. THIS OPTION WAS INCLUDED IN THE  
SUBCHAPTER L FINAL RULE.

IN OUR EFFORTS TO MAKE THE ITC OPTION AVAILABLE AT  
EARLIEST POSSIBLTY, HOWEVER, WE DEFERRED  
DEVELOPMENT OF INTERMEDIATE ITC TONNAGE  
THRESHOLDS, OR TO DETERMINE THE ITC EQUIVALENT OF  
THE 500 NATIONAL TONNAGE. TO SEEK INPUT ON THESE  
MATTERS, THE COAST GUARD PUBLISHED A “REQUEST FOR  
COMMENTS” IN THE FEDERAL REGISTER IN JULY 1997. WE  
RECEIVED TWO LETTERS, ONE OF WHICH WAS FROM  
OMSA.

I REALIZE *MANY* OF YOU WORKED PERSONALLY WITH BOB  
ALARIO AND CHRIS O’SULLIVAN TO PROVIDE THIS  
ADVICE, WHICH WE WILL CONSIDER IN THE  
SUPPLEMENTARY RULEMAKING. THANK YOU. AND WHILE  
OMSA DID NOT PROVIDE SPECIFIC SUGGESTIONS ON  
EQUIVALENT ITC TONNAGE VALUES ‘FOR THRESHOLDS IN  
SUBCHAPTER L IN ADDITION TO 500GT,’ WE STILL

WELCOME YOUR COMMENTS ON THESE EQUIVALENT  
TONNAGE VALUES.

WE NOTE YOUR SUGGESTION THAT THE 500 GT UPPER LIMIT FOR  
PRESENT SUBCHAPTER-L OSVs SHOULD NOT BE TIED TO  
AN ITC TONNAGE VALUE, BUT RATHER TO A VESSEL  
OVERALL LENGTH (I.E., SUCH AS 85 METERS). WE ARE  
ASSESSING THIS AND OTHER SUGGESTIONS, BEFORE  
DECIDING ON LENGTH VERSUS TONNAGE. WE MAY NEED  
TO COME BACK TO YOU TO DISCUSS YOUR VIEWS.

WE ARE NOW EMBARKING ON A SIMILAR, BUT MUCH BROADER  
TASK OF RULEMAKINGS, TO DEVELOP ALTERNATE  
TONNAGE THRESHOLDS FOR THE MANY OTHER TYPES OF  
U.S. FLAGGED VESSELS. WE EXPECT TO PUBLISH A  
“REQUEST FOR COMMENTS” IN THE NEAR FUTURE. THE  
NOTICE HAS BEEN WRITTEN, UNDERGONE COAST GUARD  
CLEARANCE AND SHOULD BE PUBLISHED IN THE FEDERAL  
REGISTER SHORTLY. THIS NOTICE AND SUBSEQUENT

RULEMAKINGS SHOULD HAVE MINIMAL IMPACT ON OSVs  
AND LIFTBOATS.

THE FEW AREAS WHERE THERE ARE TONNAGE VALUES IN  
SUBCHAPTER L THAT WILL NEED ITC EQUIVALENTS WILL  
BE ESTABLISHED IN THE NEW SUBCHAPTER L  
SUPPLEMENTARY RULEMAKING. AND, AS I SAID BEFORE,  
WE NEED YOUR INPUT ON SUGGESTED EQUIVALENT ITC  
VALUES FOR THESE OTHER THRESHOLDS, SO PLEASE FIND  
TIME TO PROVIDE THAT FEEDBACK.

#### SUBCHAPTER-L SUPPLEMENTARY RULEMAKING

THE MINIMUM STANDARDS OF SUBCHAPTER L WERE DESIGNED  
FOR DOMESTIC USE FOR SMALL OSVs OF 500 GT OR LESS,  
NATIONAL SYSTEM. HAVING ESTABLISHED 6,000 GT ITC AS  
THE MAXIMUM SIZE OF OSVs FOR THE FORESEEABLE  
FUTURE, WE MUST NOW ESTABLISH THE ITC EQUIVALENT  
OF 500 NATIONAL TONNAGE, AND *BEGIN* WORK  
(ALREADY) TO REVISE SUBCHAPTER L TO INCLUDE  
ADDITIONAL STANDARDS FOR THESE LARGER OSVs. THIS  
IS THE JOB THAT THE NOSAC SUBCOMMITTEE, UNDER THE



CHAIRMANSHIP OF DR. LANEY CHOUEST, EMBARKED  
UPON A FEW MONTHS AGO.

WE RECEIVED THEIR REPORT AT THE LAST NOSAC MEETING  
AND I CONGRATULATE THE SUBCOMMITTEE ON THEIR  
FINE WORK. IT WILL SERVE AS THE BASIS OF THE PROJECT  
MANAGER'S SUBCHAPTER L SUPPLEMENTARY  
RULEMAKING. ONE OF THE OTHER TASKS THAT WE  
PROPOSE TO INCLUDE IN THIS WORK, IS TO BRING CREW  
BOATS UNDER SUBCHAPTER L.

THE USCG PROJECT MANAGER, JIM MAGILL, HAS COMPLETED  
THE INITIAL WORK PLAN AND WE ARE NOW ASSEMBLING  
A TEAM THAT WILL MOVE FORWARD AS SOON AS  
POSSIBLE WITH THIS PROJECT. OF COURSE, WE MAY STILL  
CALL UPON THE TALENTS OF THE NOSAC WORKING GROUP  
FOR ADDITIONAL INPUT, AS THE NEED ARISES.

GETTING SUBCHAPTER L “RIGHT” IS AN ISSUE OF HIGH  
CONCERN TO US—I KNOW ITS OF HIGH CONCERN TO YOU!  
WE WILL WORK WITH YOU TO GET IT “RIGHT.”

USCG / IMO ISSUES THAT MAY EFFECT OSV INDUSTRY

I WOULD NOW LIKE TO SHIFT GEARS A BIT AND BRIEFLY  
DISCUSS FUTURE COAST GUARD AND IMO ISSUES THAT  
MAY EFFECT THE THAT MAY AFFECT OSVs ARE:

1. VARIOUS:

- \* HARMONIZATION WITH INTERNATIONAL STANDARDS,
- \* REVISION OF THE ELECTRICAL REGULATIONS (SUB J),
- \* TANK LEVEL OR PRESSURE MONITORING, AND
- \* INTERIM RULE ON “IMPLEMENTATION OF THE 1995  
AMENDMENTS TO THE INTERNATIONAL CONVENTION  
ON STANDARDS OF TRAINING, CERTIFICATION AND  
WATCHKEEPING FOR SEAFARERS, 1978 (STCW).

ADDITIONAL REGULATORY PROJECTS BEING CONSIDERED FOR  
THE NEAR FUTURE INVOLVE:

- \* FURTHER REVISION OF THE ELECTRICAL REGULATIONS,  
TO ADDRESS ACCEPTING INTERNATIONAL,  
CLASSIFICATION SOCIETY, AND INDUSTRY STANDARDS,  
AND
- \* EVALUATING THE FEASIBILITY FOR DEVELOPING A  
STRATEGIC PLAN TO IMPLEMENT RISK-BASED  
TECHNOLOGY.

2. IMO & OTHER ORGANIZATIONS: AS YOU MAY KNOW, THE  
USCG ALSO PARTICIPATES WITH INDUSTRY TO  
FORMULATE NATIONAL POSITION PAPERS FOR IMO AND  
OTHER NATIONAL AND INTERNATIONAL ORGANIZATIONS  
INVOLVED IN STANDARD DEVELOPMENT ACTIVITIES. BOB  
ALARIO SERVES YOU VERY WELL AS PART OF THE U.S.  
DELEGATION WHEN ISSUES THAT AFFECT YOU ARE ON  
THE AGENDA.

SOME RECENT AND FUTURE ACTIVITIES THAT MAY  
AFFECT OSVs INCLUDE:

- NEW ANNEX VI TO MARPOL 73/78 ON THE PREVENTION OF AIR POLLUTION FROM SHIPS - THE THIRD MARINE POLLUTION CONFERENCE OF PARTIES TO MARPOL 73/78 WAS HELD AT IMO HEADQUARTERS IN LONDON IN SEPTEMBER 1997. THE CONFERENCE ADOPTED THE PROTOCOL OF 1997, INCLUDING A NEW ANNEX VI TO MARPOL 73/78 ON THE PREVENTION OF AIR POLLUTION FROM SHIPS.

DUE TO THE CONTROVERSIAL ISSUES INCLUDED IN THE DEVELOPMENT OF THIS ANNEX AND THE ECONOMIC IMPACT UPON DEVELOPING COUNTRIES, I BELIEVE IT MAY BE SOMETIME BEFORE THIS ANNEX ENTERS INTO FORCE. NONETHELESS, I FEEL IT'S APPROPRIATE TO OUTLINE JUST WHAT IT ENTAILS.

THE NEW ANNEX CONTAINS 19 REGULATIONS ADDRESSING ADMINISTRATIVE, ENFORCEMENT AND OPERATIONAL REQUIREMENTS ON AIR EMISSIONS WHICH, IN GENERAL, WILL BE APPLICABLE TO OSVs AND MODUs, WITH THE EXCEPTION OF:

- THOSE EMISSIONS DIRECTLY ARISING FROM EQUIPMENT USED IN THE EXPLORATION AND EXPLOITATION OF MINERAL RESOURCES, AND
- ASSOCIATED OFFSHORE PROCESSING OF THE SEABED.

THE ENTRY INTO FORCE REQUIREMENTS ARE  
CONSISTENT WITH THE OTHER ANNEXES OF MARPOL  
73/78, THAT BEING 12 MONTHS AFTER 15 COUNTRIES  
REPRESENTING 50% OF THE WORLD'S GROSS  
TONNAGE HAVE BECOME PARTY TO IT.

A U.S. INTERAGENCY WORKING GROUP, INCLUDING  
THE USCG, IS CURRENTLY EVALUATING WHETHER TO  
PROCEED WITH THE RECOMMENDATION THAT THE  
U.S. CONGRESS RATIFY THE PROTOCOL OF 1997.

ANOTHER INTERNATIONAL CONVENTION WITH MUCH MORE  
IMMEDIATE EFFECT IS STCW, WHICH I MENTIONED  
EARLIER.

BOB WAS JUST IN LONDON WITH US DEALING WITH SOME STCW  
ISSUES. WE'VE AGREED TO FORM A WORK GROUP TO  
REVIEW IMPLEMENTATION WITHIN THE OFFSHORE  
INDUSTRY IN DETAIL.

WE'RE COMMITTED TO AS SMOOTH A TRANSITION TO STCW AS  
WE CAN POSSIBLY MAKE. WE'LL BE LOOKING FOR AND  
NEEDING YOUR HELP.

WHAT DOES THE FUTURE HOLD FOR US? TWO WAYS TO FACE  
FUTURE:

1. APPREHENSION
2. ANTICIPATION

I PREFER THE LATTER.

NEXT, I WANT TO REVIEW SOME TRENDS THAT CHALLENGES US  
BOTH AS WELL AS TELL YOU ABOUT OUR PLANNING FOR  
THE FUTURE—THINGS WE'LL WORK TOGETHER ON.





[INSERT REVISED PORTIONS OF PVA SPEECH HERE FROM G-MOC]



THE BENEFITS OF IMPROVED SAFETY, WHEN COMPARED TO THE ASSOCIATED COSTS, ARE TREMENDOUS. A MARINE ACCIDENT RESULTING IN INJURY, FATALITY, ENVIRONMENTAL DEGRADATION OR OTHER DAMAGE TRANSLATES INTO COSTS TO ALL PARTIES. THESE COSTS RANGE FROM IMMEDIATE TO LONG-TERM AND MINIMAL TO VIRTUALLY UNLIMITED INDIRECT COSTS. THESE INDIRECT COSTS CAN AMOUNT TO THREE TIMES AS MUCH AS THE DIRECT COSTS--COSTS THAT DIRECTLY IMPACT YOUR BOTTOM LINE.

WITH THESE COSTS IN MIND, IT HAS BEEN SHOWN THAT REACTING TO ACCIDENTS CAN COST 10 TO 30 TIMES MORE THAN SIMPLE ACCIDENT PREVENTION.

[OPTIONAL: PTP INSERT HERE]

MOST CASES OF HUMAN ERROR CAN BE TRACED BACK TO  
MANAGEMENT PRINCIPLES AND PRACTICES.  
MANAGEMENT ACTION AND PHILOSOPHY, FROM THE  
PRESIDENT TO THE OSV OR LIFTBOAT CAPTAIN, HAS A  
PROFOUNDLY POSITIVE OR NEGATIVE IMPACT ON THE  
SAFE OPERATION OF A VESSEL. WE NEED A BALANCED  
INTERACTION BETWEEN THE VARIOUS PARTS OF A  
COMPANY'S OPERATIONS IN PERSONNEL MANAGEMENT,  
ESTABLISHED WORK ENVIRONMENT, EXPECTED  
PERSONNEL BEHAVIOR, AND INTEGRATION OF  
TECHNOLOGY.

## **CLOSING - “M” REORG & SUPPORT OF OFFSHORE INDUSTRY**

IN CLOSING, I WANTED TO BRIEFLY OUTLINE SOME KEY

OFFICES IN OUR HEADQUARTERS ORGANIZATION WHICH MAY BE OF ASSISTANCE TO YOU AT SOME POINT IN THE FUTURE. FIRST AND FOREMOST, OF COURSE, YOUR LOCAL OCM/OCMP IS AN INVALUABLE RESOURCE AND “THE” LOCAL AUTHORITY ON COAST GUARD MATTERS. COUNT ON THEM TO RESPONSIBLY AND EXPEDITIOUSLY ADDRESS ANY OF YOUR CONCERNS. THEY SHOULD BE ACCESSED FIRST AND FOREMOST. LOCALLY, CAPTAIN GORDON MARSH IS OCMP/OCMI NEW ORLEANS. IF CANNOT SATISFY, SEE TIM JOSIAH AND HIS STAFF. SOMETIMES YOU MAY EVEN HAVE TO GO TO HEADQUARTERS.

SOME PRIMARY FIELD-ORIENTED OFFICES AT CGHQ INCLUDE:

OFFICE OF COMPLIANCE, G-MOC, (CAPTAIN JOHN SCHRINNER)

- PROVIDES GUIDANCE AND POLICY TO FIELD UNITS  
REGARDING ENFORCEMENT OF REGULATIONS APPLICABLE  
TO OCS ACTIVITIES, VESSELS & OFFSHORE INDUSTRY;
- TAKES FINAL AGENCY ACTION APPEALS OF DISTRICT  
COMMANDER DECISIONS;
- DEVELOPS THE NATIONAL STREAMLINE INSPECTION  
PROCESS (SIP) FOR OSVS;
- DEVELOPS AND IMPLEMENTS THE ALTERNATIVE  
COMPLIANCE PROGRAM (ACP) FOR MODUS;
- IS CURRENTLY REDRAFTING THE MOU W/MMS TO CLARIFY  
EACH AGENCY'S ROLE IN INSPECTION, SPILL RESPONSE, CIVIL  
PENALTIES, AND INVESTIGATIONS ON THE OCS.

OFFICE OF STANDARDS, G-MSO, (CAPTAIN BOB SKEWES)

- DRAFTS REGULATIONS, INCLUDING THOSE GOVERNING OFFSHORE ACTIVITIES, AND
- MANAGES 6 OF OUR USCG ADVISORY COMMITTEES, INCLUDING NOSAC.

MARINE SAFETY CENTER, MSC, (CAPTAIN JEFF LANTZ)

- CONDUCTS PLAN REVIEW FOR NEW CONSTRUCTION AND MAJOR MODIFICATIONS.
- MAKES AGENCY DETERMINATIONS ON MODIFICATIONS WHICH CONSTITUTE A MAJOR CONVERSION FOR EITHER REGULATORY OR CONVENTION(ITC-SOLAS) PURPOSES.

NAT'L VESSEL DOCUMENTATION CTR (MR. TOM WILLIS, MGR)

- APPROVES AND PROCESSES VESSEL OWNERSHIP DOCUMENTS AND ISSUING OFFICIAL NUMBERS.

AS I'VE DESCRIBED, THERE'S ALOT WE CAN DO TOGETHER TO  
MEET THE CHALLENGES OF THE FUTURE THAT REALLY  
FACE US, TODAY.

I URGE YOU ALL TO STAY INVOLVED, AS YOU HAVE. YOUR  
CONTINUED INVOLVEMENT IS CRITICAL TO MEETING THE  
CHALLENGES OF THE FUTURE AND OUR MUTUAL GOAL OF  
SAFETY.

THERE ARE THINGS YOU CAN DO NOW THAT I MENTIONED.

- CONTINUE TO COMMENT ON ALTERNATE TONNAGE,
- WORK WITH US IN THE SUBCHAPTER L SUPPLEMENTAL  
RULE, AND
- HELP US IMPLEMENT STCW

BE AN ACTIVE PARTNER!

NONE OF WHAT WE'RE DOING TOGETHER IS ESPECIALLY EASY  
DONE. IT REQUIRES A CONTINUED AND STRENGTHENED  
PARTNERSHIP.



WE WON'T ALWAYS AGREE AT FIRST, BUT OUR EFFORTS WILL  
REACH A SATISFACTORY CONCLUSION.

PRESIDENT JOHN F/ KENNEDY ONCE SAID SOMETHING TO THE  
EFFECT THAT “MY EXPERIENCE IN GOVERNMENT IS THAT  
WHEN MANY THINGS ARE NON-CONTROVERSIAL AND  
BEAUTIFULLY COORDINATED, THERE IS NOT MUCH GOING  
ON.”

BUT THROUGH PARTNERING, TALKING AND WORKING  
TOGETHER TO REACH A COMMON GROUND, THINGS WILL  
BE LESS CONTROVERSIAL AND MORE COORDINATED.  
MORE IMPORTANTLY, SAFETY WILL CONTINUE TO  
IMPROVE WITH POSITIVE BENEFITS FOR US ALL.

IN CLOSING, I LOOK TO THE FUTURE WITH KEEN ANTICIPATION  
OF THE GOOD THINGS WE WILL DO TOGETHER. THANK  
YOU.